



## ***United States Attorney District of New Jersey***

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### **CITY OF NEWARK POLICE SERGEANT PLEADS GUILTY TO TAX EVASION**

NEWARK, N.J. – A sergeant with the Newark Police Department admitted today that he evaded income taxes by maintaining a fraudulent IRS Form W-4 with the city and failing to file an individual tax return, United States Attorney Paul J. Fishman announced.

Marion Reynolds, 43, of Newark, N.J., pleaded guilty to evading the assessment and payment of income tax by maintaining a fraudulent IRS Form W-4 with his employer and failing to file a U.S. individual income tax return with the IRS. Reynolds entered his guilty plea before United States District Judge Jerome B. Simandle in Camden federal court.

According to the Information to which Reynolds pleaded guilty, other documents filed in this case, and statements made in court:

Reynolds, a 17-year veteran of the City of Newark Police Department, filed a W-4 with his employer, the City of Newark, in 2001 – falsely claiming 99 exemptions from federal income tax withholding. Reynolds admitted that he filed the fraudulent form so that no federal income tax would be withheld from his City of Newark paycheck and that he maintained the form on file with the city through September 2005.

In 2004 and 2005, Reynolds received wages from the City of Newark in the amount of approximately \$129,604 and \$145,346, respectively, but failed to pay any federal income tax for those calendar years.

In September 2005, the City of Newark was directed by the IRS to nullify Reynolds' false claim of 99 exemptions and to begin withholding from his paycheck. In May 2006, Reynolds filed a second fraudulent W-4 with the City of Newark which falsely claimed the exemptions. In 2006, Reynolds received wages from the City of Newark in the amount of approximately \$142,741 and failed to pay any federal income tax for that calendar year.

In January 2007, the City of Newark was again directed by the IRS to nullify Reynolds' false exemptions claim, and in May 2007, Reynolds filed a third fraudulent W-4 with the city which claimed the exemptions. Reynolds admitted that he received wages from the City of Newark in the amount of approximately \$140,149 in 2007 and failed to pay any federal income tax for that calendar year.

The count to which Reynolds pleaded guilty carries a maximum potential penalty of five

years in prison and a maximum fine of \$100,000. He was released on a \$50,000 bond pending sentencing, scheduled for December 17, 2010.

U.S. Attorney Fishman credited special agents of IRS – Criminal Investigation in Edison, New Jersey, under the direction of Special Agent in Charge Victor W. Lessoff, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Sandra L. Moser of the United States Attorney's Office Special Prosecutions Division in Newark.

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Defense counsel: Lisa Mack, Esq., Newark, N.J.